

EXHIBIT 59



1 of effects.

2 Do you know if it's a mixed effects
3 model or a fixed effects model?

4 A. I believe it's a fixed effects.

5 Q. You don't have a Ph.D.; correct?

6 A. Despite Dr. Bulman referring to me as
7 Dr. Ammon in his rebuttal, I do not hold a Ph.D.

8 Q. When was the last time you personally
9 modeled a technical panel data regression with
10 fixed effects?

11 A. I don't know, but fortunately my
12 interpretation of Dr. Bulman's analysis does not
13 require me to have done that. His analysis and my
14 understanding of statis -- my understanding of
15 statistics is sufficient to understand and critique
16 his analysis.

17 For example, in his rebuttal, you will
18 note that Dr. Bulman claims that his fixed effects
19 adequately control for some of the comments that we
20 made in our disclosure. But as he notes in his
21 rebuttal, fixed effects are intended to control for
22 common changes within -- the way he uses them,
23 common changes across -- across the data.

24 What would not be captured by
25 Dr. Bulman's fixed effects and what he does not

1 over the period in question, that Penn's

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6 cost to attend Penn for the average aided
7 student fell by 22 percent in real terms over
8 the course of the period.

9 And so Dr. Bulman can do the
10 statistical regressions and can incorporate
11 data from all these other schools, but
12 ultimately, the facts and the data about Penn
13 are inconsistent with Dr. Bulman's claims of
14 some conspiracy to suppress financial aid.

15 What Penn did during this period was to
16 increase financial aid spending, to increase
17 spending from the endowment on financial aid,
18 and to do so at a time when trailing
19 endowment returns were negative. Those are
20 Penn's facts. That's what happened at Penn.
21 And that is entirely inconsistent with
22 Dr. Bulman's allegations about a conspiracy
23 to suppress financial aid.

24 MR. GRINGER: My understanding, lunch
25 is here. So would this be a good time to

1 break?

2 MR. CIPOLLA: Can I have, like, one --

3 MR. GRINGER: Yeah, of course. Yeah,
4 yeah.

5 MR. CIPOLLA: -- or two more questions
6 about this paragraph? And then I think it's
7 a good time.

8 MR. GRINGER: Go right ahead.

9 BY MR. CIPOLLA:

10 Q. Do you think Dr. Bulman should have run
11 some other type of regression to account for Penn's
12 idiosyncrasies?

13 MR. GRINGER: Object to form, misstates
14 his testimony.

15 THE WITNESS: I don't think there's any
16 other regressions that need to be run.

17 Penn's facts are clear. And Penn's
18 facts demonstrate that Penn increased
19 financial aid spending and increased
20 financial aid spending from endowment and met
21 the demonstrated financial need -- financial
22 need of its students, and the net result of
23 this was a decrease in the cost to attend
24 Penn for the average aided student over the
25 period.

1 There's no regression that needs to be
2 done to show this. The facts are clear and
3 stand on their own feet.

4 BY MR. CIPOLLA:

5 Q. What is the purpose of a regression?

6 MR. GRINGER: Object to form.

7 THE WITNESS: In general, regressions
8 are used to show -- to -- to test hypotheses
9 around statistical relationships between or
10 among different variables.

11 MR. CIPOLLA: Okay. We can take a
12 break.

13 THE VIDEOGRAPHER: The time is
14 1:12 p.m. Off the record.

15 (A recess is held from 1:12 p.m. to
16 1:51 p.m.)

17 THE VIDEOGRAPHER: The time is
18 1:51 p.m. Back on the record.

19 MR. CIPOLLA: All right. Now, I want
20 to turn the attention to this October 2019
21 interview associated with some Wharton
22 publication. Mark it as Ammon Exhibit 3, and
23 this is Tab 15.

24 (Exhibit Ammon-3, document titled Penn
25 CIO Peter Ammon on Why 'People Matter

1 financial aid awards and spending from the
2 endowment on financial aid during this
3 period.

4 BY MR. GRINGER:

5 Q. So if Penn at this time was realizing
6 negative returns on its endowment while increasing
7 its spend on financial aid, that would mean that
8 there was a disassociation between Penn's return on
9 Penn's endowment performance and its financial aid
10 awards; right?

11 A. Yes. Penn was increasing its financial
12 aid awards despite the fact that the trailing
13 endowment performance was negative.

14 Q. So in that sense, Professor Bulman
15 would be correct when he says that there -- during
16 this time period there was not a relationship
17 between Penn's spending on financial aid and its
18 endowment returns; right?

19 A. Penn's financial --

20 MR. CIPOLLA: Objection, form.

21 THE WITNESS: Yes. Penn's financial
22 aid spending increased even as endowment
23 returns were negative.

24 BY MR. GRINGER:

25 Q. So why do you disagree with

1 Professor Bulman?

2 A. Professor Bulman's conclusion that
3 there was a conspiracy to suppress financial aid
4 awards is entirely inconsistent with the facts at
5 Penn.

6 Penn increased spending from the
7 endowment in support of financial aid even as
8 trailing endowment returns were negative. Penn
9 made a concerted effort to increase the financial
10 aid univitz -- aid -- in -- to increase the
11 endowment units dedicated to financial aid. Penn
12 increased the target spending rate temporarily on
13 financial aid units. The net result of this was a
14 significant increase in financial aid spending out
15 of the endowment.

16 Endowment support for financial aid
17 quintupled over the period in question; and in the
18 end, the cost to attend Penn for an average aided
19 student fell by 22 percent in real terms over the
20 period in question.

21 Q. And that last figure, that 22 percent,
22 does that in any way depend on what Penn is
23 charging for tuition?

24 A. No. That figure is the cost to a
25 student -- aided student to attend Penn. It does